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South and East Asia Report

(FOUO 7/80)



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SOUTH AND EAST ASIA REPORT

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CONTENTS

KAMPUCHEA

Information on PRK and SRV Military Units 1

LAOS

Information on Lao and SRV Military Units 5

Briefs

Lao Students in DPRK 11

NEPAL

Nepal Unveils Economic Plan
(DAILY YOMIURI, 14 Nov 80) 12

SINGAPORE

Review of Economic, Trade Relations With Japan
(Tadao Morotomi; BUSINESS JAPAN, Nov 80) 13

SRI LANKA

Finance Minister Interviewed on Economy
(De Mel Interview; NIHON KEIZAI SHIMBUN, 24 Nov 80)..... 17

- a -

[III - ASIA - 107 FOUO]

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KAMPUCHEA

INFORMATION ON PRK AND SRV MILITARY UNITS

[The following is extracted from Phnom Penh Domestic Service broadcasts on the dates indicated at 1200 GMT unless otherwise indicated. Units and locations are as given in the sources. The summary of unit activities given in the REMARKS column is as given in the sources.]

UNIT	REMARKS
2d Company, Kandal Provincial Forces Kien Svay District	Engaged in mass motivation campaign, sent forces to help people in production and provide protection for them; it sent out teams to expose crimes of Pol Pot clique and help people grasp enemy propaganda. It explained situation of country to people, making them understanding cooperation with Vietnam. Task teams helped villages during floods, supplying them with medicines. People in Roka Kaong Village led army to unearth arms caches and to unmask enemy elements. (9 Dec 80)
18th Battalion Battambang Province	Outstanding in training, discipline observance, mop-up operation--four enemy troops captured, four arms seized--helping people improve life (9 Dec 80)
Kompong Speu Province Battalion 2	Assisted people in all works, cooking, taking care of children, reclaiming land and growing rice. The battalion helped the people plant 200 ha of rice and grew 59 ha for its own consumption. A number of reactionaries were arrested by the armed forces or turned themselves to the revolutionary authorities. (4 Dec 80)
Battalion 5 Kompong Chhnang	Prepared conditions to help peasants harvest rice, providing them with protection, sickless, granaries also made available for harvest (2 Dec 80)

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Battalion 1	Troops were sent off to accomplish mission on 25 Nov. Phnom Penh Security Deputy Commander (Tiem Savuth), Battalion Commander (Sok Chobun), others and residents of area 5 were present. (26 Nov 80)
Military Committee for Defense of Phnom Penh	Recently closed a political course for almost 50 cadres from various units in Phnom Penh, (Mom Sokhat), political official of the Phnom Penh KPRAF, praised trainees for their success in study, pointed out significant tasks of cadres in educating and promoting political awareness among the armed forces. (25 Nov 80)
Battalion 9 Division 1	Planted 16 ha of rice and raised 10 hogs, 6 oxen and dozens of chickens and ducks for consumption by unit ((25 Nov 80)
Military Command Kampot Province	Closed 3d political and military course in presence of (Sim Chhay) and other officials of the provincial military command and Vietnamese experts. (25 Nov 80)
Unit D Division 1	Tale depicting good behavior of combatants sent to a district [name indistinct] in Kompong Chhnang Province, telling how they helped people grow rice, clear land, build houses and dig wells ((25 Nov 80)
Battalion 3 for Defense of Phnom Penh	Opened 3-month political and military training course for troops ending Oct. 90 percent of trainees were doing well. Unit is also engaged in production. (20 Nov 80)
Military Technical School	Training 77 technicians for repair of arms and cars. 90 percent of trainees are doing well in study of politics and discipline. School beginning second phase of study in mechanics (18 Nov 80)
Kompong Speu Armed Forces	Successfully carried out agitation work among people. Opened many courses for masses during which front's and council's policies were explained and enemy maneuvers were exposed. Also engaged in production: helped people transplant rice in 200 ha and grown crops for own need in 99 ha. (18 Nov 80)

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Feature on (Nguon Saran) a Model Cadre Battalion 34. Division 4	He turned the unit into an outstanding one by providing political course, cooperating with and helping local people, leading troops in mop up operations. Now (Nguon Saran) is chief of the division's political section. (15 Nov 80)
Battalion 2 Pursat Province	Correspondent's article relaying success in consolidating and developing the unit, stressing importance of political courses together with military training. Says besides operations combatants engage in production and improve living conditions, assist people. (13 Nov 80)
Regiment 18 Prey Veng Province	Ceremony was held in Phum (Chhke Kon), Chi Khleang Commune on 19 Oct. Provincial People's Committee chairman (Daok Sahinal) was present, praised combatants and presented gifts to them (13 Nov 80)
17th Battalion Prey Veng Province	Opened a political course for its cadres and combatants since 20 June. Members of battalion also planted 9 ha of rice and some secondary food crops. (11 Nov 80)
71st Navy Gp	Elements of this unit assist in fighting floods for people of Kompong Mong Do, Kampuchea (QUAN DOI NHAN DAN 16 Sep 80 p 2)
7th Gp	Deputy Commander: Nhan [NHANJ]. Fighting Pol Pot - Ieng Sary forces in Kampuchea. (QUAN DOI NHAN DAN 6 Oct 80 p 3)
Battalion 34 Division 4	Correspondent's article relating impression of deputy political responsible (Chuan Man). Says 3-month political indoctrination of hard-core cadres coupled with revolutionary tasks assured success of the process. (8 Nov 80)
Self Defense Navy Gp, Vietnam Maritime Transport Corporation	Recently activated. Has 20 large size vessels. Moves cargo between North and South Vietnam and "performing an international mission in Kampuchea." (QUAN DOI NHAN DAN 13 Oct 80 p 1)
41st Battalion Stung Treng Province	Successfully elected three hardcore groups. (4 Nov 80)

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9th Bn, 7th Gp

Photo of unit aidman administering inoculations to children in Kampuchea.
(QUAN DOI NHAN DAN 3 Oct 80 p 3)

7th Gp

Unit operated in dispersed deployment in Kampuchea. Nguyen Si Thuy [NGUYEENX SIX THUYJ] is a deputy regimental commander in this unit. (QUAN DOI NHAN DAN 8 Oct 80 p 3)

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LAOS

INFORMATION ON LAO AND SRV MILITARY UNITS

[The following is extracted from Vientiane Domestic Service broadcasts on the dates indicated at 2230 or 0400 hours GMT unless otherwise indicated. Units and locations are as given in the sources. The summary of unit activities given in the REMARKS column is as given in the sources.]

UNIT	REMARKS
Rearline Transportation Company Vientiane	Report on achievements carrying out tasks during first 9 months of this year transporting oil to various units, repairing vehicles (14 Dec 80)
Executive Office Attached to Xieng Khouang Provincial Command	Report on achievements serving various meetings, printing documents, rice farming (14 Dec 80)
Ground Artillery Battalion 'A' Vientiane Region	Report: Describing strict implementation of army rules and regulations they carry out daily activities in a very disciplinary manner (14 Dec 80)
Party Committee, Military Command of Battlefront No 1A Saisomboun District	Held celebration ceremony 2 Dec to mark fifth anniversary of Lao National Day; (Phengkhou), representative of committee and command, spoke of significance (13 Dec 80)
Battalion "GN" Northern Region	Studied politics and military subjects between 28 Aug and 29 Oct (13 Dec 80)
Army Medical Training School Xieng Khouang Province	Recently helped local people harvest rice (11 Dec 80)
Military School Xieng Khouang Province	On 20 Sep opened military course for new combatants (11 Dec 80)
Second Company, First Infantry Battalion, Phontong Canton Vientiane Province	Villagers presented some gifts to cadres and combatants (11 Dec 80)

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Army Disease-Prevention School Vientiane	Report on 5-year achievements in carrying out specialized tasks, saying they cured 4,211 patients while publicizing hygienic principles and providing vaccinations to people and boosting self-sufficient production (2 Dec 80)
Transport Battalion "A" Vientiane	Harvested rice on some 8 hectares (29 Nov 80)
Army Medical Office Central Region	Set up three hospitals and cured hundreds of patients in past 5 years (29 Nov 80)
LPLA Kommadam Military Training School Vientiane	Concentrated on studying specialized subjects during second half of this year (28 Nov 80)
Army Disease-Prevention School Vientiane	Competed in fulfilling tasks to score achievements to welcome forthcoming national day (28 Nov 80)
Public Security Forces Saravane Province	Paid attention to consolidating and strengthening their forces (28 Nov 80)
Basic Medical School Vientiane	Harvested 5 tons of rice and other crops (27 Nov 80)
Regional Forces Houa Phan Province	Cleared 185 hectares of virgin land for cultivation over past 5 years (27 Nov 80)
Army Brick Factory Vientiane	Report on achievements in producing bricks and charcoal while carrying out other specialized tasks and boosting production (23 Nov 80)
Army Shoe-Making Factory Vientiane Capital	Five-year achievements in making shoes and planting crops (23 Nov 80)
Army Noodle Factory Vientiane	Five-year achievements in producing noodle, bread and so forth (23 Nov 80)
Army Garment Factory Vientiane	Produced 44,450 caps and large quantity of other garments over past 5 years (23 Nov 80)
Regional Forces Houa Phan Province	Increased cultivated areas by 221 hectares over past 5 years (23 Nov 80)
Signal Branch Central Region	Report on achievements over past 5 years (22 Nov 80)
Regional Forces Houa Phan Province	Number of domestic animals raised increased over past 5 years (22 Nov 80)

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Infantry Battalion "S" Oudomsai Province	Feature on model life of comrade who joined revolution in Pak Beng District in 1977 (20 Nov 80)
Army Shoe Factory Vientiane	Produced 15,543 pairs of shoes since early Sep (13 Nov 80)
Savannakhet Provincial Forces	Carried out specialized work over past 5 years, two agricultural settlements were set up during period (13 Nov 80)
Battalion "N" Northern Region	Attended military training courses. (13 Nov 80)
Infantry Battalion "E" Vientiane	Scored excellent marks in (?shooting practice) during 2-month training (20 Nov 80)
Cavalry Battalion "B" Southern Region Command	Organized political and military training for cadres, combatants in late Oct (19 Nov 80)
Battalion "B" Northern Region Command	Scored outstanding achievements in security work and political and military training in first 9 months of this year (19 Nov 80)
Military Command Kasi District Vientiane Province	In mid-Oct opened training course on combat strategy and tactics for local guerrillas in district (17 Nov 80)
Xiang Khouang Military Region Command	Opened primary (?statistics) training course for 11th group of cadres and combatants (16 Nov 80)
Youth Union Attached to Public Security Forces Champassak Province	Opened training courses for union members to study various political documents; organizing system of union has been consolidated while more union members have been accepted (16 Nov 80)
Signal School in Northern Region	Attended specialized training course which ended on 3 Nov (15 Nov 80)
Hospital 101 and Military School Xiang Khouang Region	Attended four military and political courses in past 10 months (15 Nov 80)
Sop Pai Canton Siang Kho District Houa Phan Province	Local guerrillas conducted 85 patrol missions over past 10 months (15 Nov 80)
Southern Region Command	First statistics training course ended in late Oct (14 Nov 80)

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Cavalry Battalion "T" Vientiane	Stepped up study in specialized and political fields in Sep and Oct (11 Nov 80)
Logistics Office Central Region Command	Ordnance cadres and combatants scored satisfactory achievements in managing supplies in past 5 years (11 Nov 80)
Regional Forces Command Sayaboury Province	Brilliantly performed security maintenance duty in past 4 months (11 Nov 80)
Army Intermediate Journalists Training School	8 Nov held ceremony to conclude second training course for students (9 Nov 80)
Army Battalion "A" Southern Region	Phonthong District, Champassak Province (9 Nov 80)
Army Printing House	Feature on making preparations and scoring achievements to welcome coming national day (9 Nov 80)
Army Auto Repair Shop Vientiane	Repaired vehicles on 189 occasions since early Aug (9 Nov 80)
Battalion "N" Northern Region	Scored excellent achievements in political field in past 4 months (8 Nov 80)
Battalion "A", Regional Forces Savannakhet Province	Scored outstanding achievements in various fields in past 5 years (8 Nov 80)
Army Hospital "106" Southern Region	In past 8 months scored excellent achievements in specialized work (8 Nov 80)
Army Aviation Unit Luang Prabang Region	Scored outstanding achievements in specialized work in past few months (7 Nov 80)
Production Service Viangsai Military Region	Produced large quantity of bakery and bread and other commodities (4 Nov 80)
Army Hospital Attached to Savannakhet Provincial Military Command	Report on 5-year achievements scored by medical cadres carrying out specialized tasks, saying they cured more than 62,220 patients (1 Nov 80)
Battalion "P" Siangthon District, Huoa Phan Province	Helping cooperative members harvest rice on more than 25 hectares of ricefields (1 Nov 80)
Signal Company under Battalion "E" Vientiane	Competing to strengthen their unit in all respects (1 Nov 80)

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Signal Corps Vientiane	Cadres and combatants of various offices studied political documents 17-25 Sep (31 Oct 80)
Military Command Khammouane Province	Held ceremony 22 Sep to present medals and certificates of praise to those cadres and combatants who scored outstanding achievements over past 30 years (31 Oct 80)
Military Command Lamam District Saravane Province	Organized political training for cadres and combatants of regional armed forces, infantry and guerrilla forces since early this year (31 Oct 80)
Anti-aircraft Battalion "G" North Region	Attended military training course. Examination held on 11 Oct [Date of Broadcast not available]
Infantry Battalion "E" Sayaboury Province	Attentively built and consolidated their units from early Sep to early Oct [Date of Broadcast not available]
First Battalion Vientiane	Attended political course, they studied documents on world situation and schemes of imperialists and Beijing reactionaries (1 Oct 80)
Vientiane Provincial Military Command's Military Training Committee and Guerrilla Branch	Chiefs recently guided training activities at various districts (1 Oct 80)
Army Hospital in Oudomsai Province	Examined 101 people and treated more than 1,000 patients from early Jul to late Aug (1 Aug 80)
Regiment 702	Unit member protests illegal deductions from pay, low pay and ban on marriage [Vientiane SIANG PASASON in Lao 18 Oct 80 p 2]
Armed Self Defense Force Lao Electricity Corporation	Held meeting 2 November to summarize activities. Unit's mission is to maintain public security inside their factories. Speakers addressing meeting were Acting Minister of Industry and Trade, Vanthong Linsomphou, Vice-minister MIT Bounkeut Khamphaphongphan, Souphi, chief of teachers for national parade practice of the Ministry of National Defense, Hasai Inthasai, deputy director of the Basic Electricity Specialized Task School and responsible official for the Lao Electricity

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	Electricity Specialized Task School and responsible official for the Lao Electricity Corporation's Self-Defense Force. Vanthong Linsomphou spoke on threat by Beijing great-nation expansionists, imperialists and other reactionaries. [Vientiane VIENTIANE MAI in Lao 4 Nov 80 pp 1, 4]
BN B Souannakhet Province	Accomplishments cited in patrolling and countering enemy provocations along Mekong River and protecting peace and property. Cadres, combatants and organizational workers of unit also worked as public education teachers and produced enough of their own rice to cover three months. [Vientiane SIANG PASASAN in Lao 5 Nov 80 pp 2, 3]
N.30 Engineer Gp, Unit N. 33 Unit N. 34	Located at Chum, Laos (QUAN DOI NHAN DAN 15 Sep 80 p 3)
B.65 Gp, Truong Son Corps [Binh Doan]	Recently completed widening Route "B" in Laos. Recently assisted the people of Lem Thoan village to move one hundred kilometers to a secure area and assisted the people of Moong Pet and Pac Cut villages with farming (QUAN DOI NHAN DAN 16 Sep 80 p 1)
Q26 Truck Transportation Regt, Rear Service General Department	Located in the 4th Military Region. Providing Transportation assistance to Laos. Made latest change of station in the third quarter of 1980. (QUAN DOI NHAN DAN 13 Oct 80 p 2)
Gp C	Relieved drought, provided housing and health care for people in Kampuchea. (QUAN DOI NHAN DAN 2 Nov 80 p 1)
1st Co, 24th Artillery Gp	Located on the shore of the Tonle Sap, Kampuchea (QUAN DOI NHAN DAN 30 Oct 80 p 1)
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LAOS

BRIEFS

LAO STUDENTS IN DPRK--A Japanese newspaper reporter visited North Korea in August 1980. He visited the Kim Il-song University which has an enrollment of 12,000 students. The library was crowded with many students, including students from Africa and Laos. [Excerpts] [Tokyo MAINICHI SHIMBUN in Japanese 28 Aug 80 p 1]

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NEPAL

NEPAL UNVEILS ECONOMIC PLAN

Tokyo DAILY YOMIURI in English 14 Nov 80 p 1

[Text]

Katmandu (AFP)—Agriculture is to be given top priority under Nepal's newly unveiled sixth five year plan, which aims to boost agricultural production 3.2 percent and export 100,000 metric tons of food grain per year.

The plan for July 1980-July 1985 also gives priority to developing cottage and smallscale industries and boosting exports and tourism.

Vice-chairman of the national Planning Commission Ratna Shumshere Rana told a press conference that 64 percent of the projected \$2,859 million development expenditure would come from foreign aid, including the European Economic Community (EEC) contribution and bilateral and multilateral assistance.

Rana broke down projected spending into \$1,721.8 million for the public sector, \$151.2 million for the

panchayat sector and \$978.9 million in the private sector.

Referring to the performance of the fifth five year plan which was completed on 15 July this year, Rana revealed that the GNP had increased by just 2.2 percent against the population growth of 2.3 percent during the plan period.

During this period the per capita income at current prices stood at \$143.8.

The current plan has set the target of increasing the per capita income to \$158.2 per annum and of curtailing the population birth rate from 42 to 40 per thousand.

Of the total earmarked expenditure, 30.4 percent has been allocated for agriculture, irrigation and forest development, 25.8 percent for drinking water and hydropower development, 19.4 percent for highways and communications development and 24.4 percent

for social development.

The plan also has a target of making 900,000 adults literate during the plan period.

During the plan period 444,000 hectares of land will be brought under irrigation and 200.1 megawatts of electricity will be generated (only 62 megawatt of hydroelectric power was produced by the end of the last fifth five year plan period).

On the transportation side about 2,000 kilometers of all-weather roads will be built extending the total length of such roads to 6,890 kilometers, and 300 new hanging bridges will be constructed.

Piped drinking water facilities, so far available to only 11 percent of the total population, will be provided to 30 percent of the total population by the end of the current five year plan.

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SINGAPORE

REVIEW OF ECONOMIC, TRADE RELATIONS WITH JAPAN

Tokyo BUSINESS JAPAN in English Nov 80 pp 39-55

[Article by Tadao Morotomi, chief of South Asia and East Europe Department, Trade Policy Bureau, Ministry of International Trade and Industry]

[Text]

AS symbolized by the rapid expansion of both trade and investment, economic relations between Japan and Singapore have been growing steadily.

Especially in recent years, along with the changes in the international economic environment and the economic developments in both countries, not only the quantitative expansion of both trade and investment but also the qualitative improvement in such exchanges can be noted. Information exchange and technology transfers that foster desirable international division of labor and enhance industrial structure have shown much progress.

To Japan, Singapore is one of the important members of ASEAN (The Association of Southeast Asian Nations) and an important partner, one that well understands the position of Japan. This is demonstrated by the fact that Japan's trade with Singapore assumes second or third place every year, and that Japan's investments in Singapore rank second among ASEAN countries.

To Singapore also, Japan is an important partner in fostering its industrial development along with its economic growth. Japan is the second largest trade partner for Singapore after the U.S., and in Singapore invest-

ments, Japan also assumes second place after the U.S.

With a view to solidifying the basis for expanding economic exchanges between the two countries, talks and meetings between leaders of both Singapore and Japan are held regularly. In the latter half of the 1970s, the then-Prime Minister Takeo Fukuda and the then-International Trade and Industry Minister Toshio Komoto visited Singapore and in January 1980, the then-International Trade and Industry Minister Yoshitake Sasaki visited the country. Meantime, Singapore's Prime Minister, Lee Kuan Yew, has visited Japan several times, and other important government officials have also come to Japan to exchange views with their Japanese counterparts to further strengthen relations between the two countries.

The main pillar of economic relations is trade, and the total exports and imports between the two countries in the 1970s increased from \$379 million in 1969 to \$4,152 million in 1979, as much as 11 times.

The main factors that accelerated trade include Singapore's active import from Japan of capital goods needed for its economic development, while Japan purchased large quantity of oil products from Singapore.

Though the stage of economic development in Japan and in Singapore is quite different, both countries commonly lack natural resources, with manpower being the only valuable "natural resource" in both countries. Both have adopted free trade as a fixed line of national policy. The fact that they have such a common basis has been fundamental in contributing to the steady development of trade between both countries.

In the past decade, while Japan's exports to Singapore have multiplied by 8.6 times (from \$313 million in 1969 to \$2,679 million in 1979), its imports have expanded by an astounding 22 times (\$66 million in 1969 to \$1,473 million in 1979). But it is also true that the bilateral trade is one-sided for Japan, as its trade surplus reaches a considerable amount each year. Japan has of course exerted efforts to improve this imbalance by expanding both its exports and imports. Consequently, no serious difficulty has ever developed in trade between the two countries, and satisfactory trade relations have been maintained.

It can be said that such good relations have been possible because Singapore was importing capital goods from Japan from a long-term view-

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point for its economic development, and because both countries were basing their trade policies on the idea of free trade.

Noteworthy are the facts that Japan's exports to Singapore in 1978 sharply increased by 35% over the previous year and in the first half of 1980 they increased by 44%. Item-

wise, the mainstays of Japan's exports have been transport equipment, electric machinery and machinery in general. These sales contributed greatly to Singapore's high-paced economic growth as the country recovered from the setback caused by the oil crisis in 1973. In its gross domestic product, Singapore grew by 8.6% in 1978 and 9.3% in 1979 in real terms.

Similarly, Japan's imports from Singapore grew sharply by 70% in 1979 over the previous year. This was due to the fact that Japan's imports of oil products, the mainstay of imports from Singapore, grew by 1.8 times in value because of the sharp rise in the price of crude oil.

Most of exports from Japan are various machines (57% of the total exports in 1979), steel (19%) and chemical products (6.2%) which are needed for the industrialization of Singapore, while major imports from Singapore are oil products (78% of the total imports in 1979), machines (6.2%) and pharmaceuticals (6.2%).

Increasing Investment in Singapore

One of the important aspects of the economic relations between the countries is Japan's investments in Singapore.

The number of Japanese enterprises that have been established in Singapore presently totals some 750 of which some 540 are joint ventures.

Japan's total investments in Singapore amounted to \$5800 million in fiscal 1979 on an approval basis, ranking second after Indonesia in Japan's investments in ASEAN countries. At the end of 1978, the balance of Japan's investments in Singapore reached \$5801 million. 13% of the total investment in Singapore by foreign countries and third largest after the U.S. and the Netherlands.

Japan's investments in Singapore reached a peak amount in the early 1970s, but decreased markedly around

1976 because of the worldwide recession. But due to the recovery of business activities in Japan and the progress made in petrochemical plant construction projects in Singapore, the amount of Japan's investments in that country on an approval basis reached \$5429 million over the past two years.

At the end of 1979, the total amount reached as much as 2.2 times the aggregated amount as of the end of 1977.

Industry-wise, at the end of March 1980, the manufacturing industries assumed an overwhelming share of 73% of Japan's total investments, of which major industries are the machine industry (14.0%), the electric machine industry (14.6%) and the transport machine industry (14.3%). Japan's investments in Singapore were formerly concentrated on such labor-intensive industries as the textile, plywood, electric and electronic industries, but in recent years investments increased in such technology-intensive sectors as the shipbuilding, precision machine, metal products and chemical industries. At the same time, considerable diversification can be seen in Japan's investments, ranging over shipping, warehousing, financing, insurance, leasing, commerce and engineering.

Hereafter, especially, along with the Singapore government's new industrial policy that has been strongly promoted since last year, investments in technology and capital intensive industries will be welcomed and more actively promoted. Under such circumstances, noteworthy is the fact that the huge petrochemical project, a tangible demonstration of the cooperation between the countries, has reached the construction stage. Details of the project will be described later.

Technical Cooperation Useful

Japan is extending to Singapore assistance in terms of both capital and technology on a governmental basis. Assistance through funds is extended in the form of yen credits on both onerous and gratuitous bases. Japan's gratuitous capital assistance was ex-

tended in the latter half of the 1960s as quasi-reparations in the form of the construction of a shipyard and a land station for artificial communication satellites. Japan also extended a grant of ¥17 million last year for constructing language education facilities.

In the first half of the 1970s, Japan granted Singapore a total yen credit of ¥12,740 million for acquiring ships, thermal power plants and other major investments. After 1974, however, as Singapore's economy improved, further credit has not been extended by Japan.

Japan's technical cooperation is extended through receiving technical trainees, dispatching experts, implementing various surveys for development, and cooperating in various technical and vocational training centers. Until fiscal 1978, Japan accepted 1,870 trainees from Singapore in such wide-ranging fields as the machine industry, management, construction, administration, metal working, agriculture and the chemical industry. Japan has dispatched 217 experts to Singapore. Various surveys have been conducted for Singapore, among them plans for laying submarine cables and a survey on waterways in the Strait of Malacca. In 1979, a program for training technicians in the fields of machine, electric machine and electronics through establishing vocational training centers was launched. Another form of cooperation is being materialized in an information technology center. The center is designed to train personnel to engage in the computer and software industries which will assume an important position among the industries of Singapore in the 1980s. Singapore places great expectations on the growth of these industries.

Technical cooperation extended by Japan is expected to contribute greatly to Singapore's remarkable economic growth which places it in the forefront of developing nations.

Petrochemical Project in Singapore

The huge petrochemical project symbolizes the close cooperation between Japan and Singapore in the construction of the complex as a joint venture. The project is promoted from

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the viewpoint that it can contribute to the establishment of a long-term basis for the promotion of economic exchange between both countries and the location overseas of Japan's petrochemical industry. The project consists of plans for producing ethylene and its derivatives. Japan's governmental financing institutions are extending all-out cooperation.

Through the ethylene production plan, a factory to produce ethylene will be constructed on Malbau Island in Singapore. It will produce 300,000 tons of ethylene a year as well as propylene and other chemicals. They, in turn, will be supplied to several interrelated manufacturing companies as raw materials. The total fund needed for the project is ¥103,000 million, of which ¥73,900 million will be extended from Japan in the forms of investment, lending and supplier's credit.

The plan for derivative production involves the construction of three factories for an annual production of 120,000 tons of high pressure ethylene, 100,000 tons of polypropylene, 80,000 tons of medium and low pressure polyethylene, and 100,000 tons of ethylene oxide. From 1981 to 1982, these factories will come into operation simultaneously with the ethylene factory. In order to promote the project, joint venture companies have been established for each factory. The total fund needed for the project amounts to ¥78,400 million for the three factories. Of the amount, Japan will extend ¥61,900 million in the forms of investment, lending, and supplier's credit.

ASEAN's Industrial Projects

ASEAN countries are promoting plans to construct large plants in each member country through joint capitalization as part of their intra-regional economic cooperation. Recognizing the importance of their cooperation, Japan has agreed to extend financial assistance in various forms on the condition that each of these projects will be firmly established as industrial projects for each member country and that their feasibility will be confirmed.

Japan is considering favorably their request to extend a total amount of \$1,000 million.

As part of the ASEAN industrial projects, Singapore first planned to construct diesel engine plant. Unfortunately, however, there has not yet been sufficient support among ASEAN countries concerning the project which was expected to be materialized on a large scale as a national project. No alternative project has yet been proposed.

Singapore's Policy to Heighten Its Industrial Structure and Japan's Cooperation

Singapore worked out in 1979 a policy to convert its industrial structure from a labor-intensive one producing goods with low added value to a capital- and technology-intensive one manufacturing products with high added value, and launched a nationwide effort to bring about a "Second Industrial Revolution." This is an outgrowth of its long-term strategy to develop its economy throughout the 1980s by overcoming various difficulties created by the increasingly severe international environment brought about by the protectionism in advanced industrial countries on the one hand and the competition from other developing countries on the other. Singapore also must modify its industrial structure which excessively depends on less-skilled foreign workers.

In the process of promoting this industrial revolution, Singapore intends to study how Japan developed its successful economic and development policies to see if they could be adapted to their own situation. Singapore has long admired Japan because of its remarkable economic development and the way it has overcome various economic difficulties while coping with the oil crisis.

In response to a request from Singapore, the Ministry of International Trade and Industry has been extending cooperation for the development of Singapore's economy by providing information and knowhow about Japan's trade and industrial policies and measures for heightening its industrial structure to be adopted throughout the 1980s.

Such cooperation is notable since it is more advanced than the conventional types of cooperation in the fields of trade, investment and economic cooperation.

Under the current international circumstances which demand the mutual cooperation of every nation, this is highly significant.

Economic exchanges between Japan and Singapore in the fields of trade, investment and economic cooperation are expected to continue to show further progress based on the fundamental policy of the Singapore government.

Promoting Japan's Cooperation with Southeast Asian Countries

International Trade and Industry Minister Rokusuke Tanaka officially visited four Southeast Asian countries this September. During the trip, the minister outlined Japan's basic ideas for its economic cooperation with Southeast Asian countries under the title, "How to Promote Japan's Cooperation with Southeast Asian Countries." This is an outline of Japan's position on assisting each of the four countries to build up its economy. The fundamental direction of Japan's cooperation with the Southeast Asian countries is characterized in this statement with the following four items as main pillars: 1. the solution of energy problems, 2. the promotion of smaller enterprises, 3. the development and expansion of the export of finished products, and 4. human resources development.

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Major Items in Trade Between Japan and Singapore

Japan's Exports		Japan's Imports	
In value (\$1 million)	Ratio (%)	In value (\$1 million)	Ratio (%)
1. Machinery & equipment 1,514	57	1. Oil products 1,151	78
2. Steel 376	14	2. Machinery & equipment 91	6
3. Textile products 183	7	3. Chemical products 66	4
4. Chemical products 167	6	4. Foods 35	2
5. Non-metal mineral products 72	3	5. Raw materials 31	2

Customs clearance basis in Japan

Major Industries in Singapore in which
Japan Has Invested

(As of end of 1980; In ratio of
aggregated investments)

Manufacturing industries	73.0%
Chemical	3.9
Iron and non ferrous metals	3.3
Machinery	14.0
Electric equipment	14.6
Transport equipment	14.3
Others	19.1
Commerce	6.0
Construction	1.8
Financing and insurance	1.5
Others	13.6

Japan's Investments in Singapore

(On an approval basis)

(\$1 million)

	In value
1951-1969	24
1970	9
1973	81
1975	55
1976	27
1977	65
1978	174
1979	255
Total	800

Trade Between Japan and Singapore

(In value; \$1 million)

	Japan's exports	Japan's imports
1969	313	66
1970	432	87
1975	1,524	399
1976	1,531	647
1977	1,719	687
1978	2,325	869
1979	2,679	1,473
1980 (Jan.-June)	1,727	815
(Compared with same term of previous year)	(+44%)	(+55%)

Customs clearance basis in Japan

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SRI LANKA

FINANCE MINISTER INTERVIEWED ON ECONOMY

OW251721 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Nov 80 Morning Edition p 4

[Interview with Finance Minister De Mel by NIHON KEIZAI correspondent Kawamura]

[Excerpt] Colombo, 23 Nov--This correspondent has visited Finance Minister De Mel at the Parliament Building, where the 1981 budget bill was under deliberation, to hear his candid views about the future of the Sri Lanka economy and problems related to Japanese investments. While a Japanese investment survey mission headed by Ikeda, president of Nippon Koei Co., is scheduled to visit Sri Lanka in late November, Finance Minister De Mel expressed his strong dissatisfaction at the delay in Japanese investments that have already been scheduled. At the same time, he emphasized that his country is counting on Japan's cooperation in its struggle to overcome the present economic difficulties. Follows a summary of De Mel's remarks:

1. Japan has become Sri Lanka's biggest partner as far as the amount of trade is concerned. It is solely because of Japan's exports to this country, however. What we see today is a typical one-way trade. It is our desire that Japan increase its imports from Sri Lanka.
2. A number of Japanese missions visited this country in the past and another investment mission will be here shortly. We deeply regret, however, that few of the approved investment plans have materialized. Japan has promised to make huge investments in ASEAN nations. Although Sri Lanka has no particular raw materials to offer to Japan, it still is awaiting Japanese investments. I would like to try to get our message across when I visit Japan next year in connection with the projected IMF meeting.
3. The Sri Lanka economy is undergoing a difficult period plagued with inflation and fiscal deficits. Nevertheless, we must go ahead with development programs. It is a difficult task to keep the economy well-balanced under these circumstances. Of course, we are not allowed to retreat. We must move forward. Development programs, however, will have to be partly modified or deferred. The dam project involving Sweden has been curtailed, while the starting date for the dam project assigned to Japan will be put off to 1982.

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4. While speculation is rife as to rupee devaluation, we want to avoid a "dirty float" through a government intervention. On the other hand, however, we cannot afford a complete float system and all we can say is that control to a certain degree will be required.

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END

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